

Washington, D.C. - As taxpayers across the country rushed to meet today's tax filing deadline, Congresswoman Melissa Bean (IL-08) and Senator Barack Obama announced the introduction of legislation that would preempt IRS plans to allow increased, unsolicited access to private taxpayer information and instead ensure that protections remain at their current levels. Senator Obama and Congresswoman Bean discussed their sponsorship of the Senate and House bills respectively at a press conference held this morning at the Metcalf Federal Building in Chicago.

Bean introduced the Taxpayer Privacy Act of 2006 (HR 5075) in response to a recent IRS proposal that would give tax preparers more leeway to sell clients' personal financial information to marketers and data brokers. Tax preparers would be able to profit from the sale of entire copies of tax forms or of specific information about a taxpayer's income, home ownership, investments, number and age of children, or charitable donations. Current regulations restrict such a sale only to a tax preparer's "affiliated groups" rather than third party organizations not involved in the tax preparation process.

"Each time someone's personal financial information is transmitted, the risk of identity theft or financial fraud increases," Bean said. "Taxpayers should feel confident that the details of their personal finances will be protected by the professional tax preparers to whom they are entrusted. Yet, IRS rules make it easier for that information to be sold, transmitted and potentially stolen. This bill is necessary in order to secure the peace of mind taxpayers deserve."

While tax preparers would have to obtain written consent from their clients in order to sell personal information to third party groups, the IRS proposal is especially disturbing because it explicitly permits wide-scale sharing of sensitive personal information.

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